(a) whether it is a fact that Government is set to amend a clause of the SEZ laws to allow it to build strategic petroleum reserves in the SEZ notified areas without being bound by any export obligations; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH) : (a) and (b) A proposal has since been received from Indian Strategic Petroleum Reserves Limited (a wholly owned subsidiary of Oil Industry Development Board under the Ministry of Petroleum and Natural Gas), for relaxation of conditions relating to export obligations and achievement of net foreign exchange as stipulated in the Letter of Approval issued under the SEZ Rules, 2006 to its unit in the Mangalore Special Economic Zone. However, no amendment is yet carried out in SEZ Act 2005/SEZ Rules 2006 to this effect.

Shortfall in export target

931. SHRI RAJKUMAR DHOOT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that FICCI has predicted that India may miss exports orders for 2008-09;

(b) if so, the details thereof and the reasons therefor;

(c) the major items that have disturbed the targets; and

(d) the steps taken by Government to bridge the gap between target and actual?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes, Sir.

(b) Factors adversely effecting India's export performance, reported by FICCI Export Survey June 2008, include slowdown in the western markets, slackness in construction business in US and EU, the export restrictions by the government on several commodities including food products.

(c) Given the slowdown in the global economy, the items such as Gems and Jewellery, Marine Products, Carpets, Handicrafts, Project Goods etc. are likely to adversely impact India's export performance during the current year.

(d) Government has announced a series of measures to support India's exports in the wake of slowdown in the Global Economy. These measures, *inter-alia*, include provision of interest subvention in pre and post-shipment export credit for labour intensive exports, provision of additional funds for full refund of Terminal Excise Duty/CST, ECGC guarantee, with Government backup, for exports to difficult markets/products, refund of service tax to exporters on foreign agent commissions upto 10% of FOB value of exports etc.